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Flourish President Ben Cruikshank

TECHNOLOGY

Flourish Cash Announces Redtail Technology Integration

The MassMutual subsidiary is also offering elevated FDIC insurance levels starting in mid-April.

Rob Burgess | Apr 04, 2023

Flourish Cash has announced an integration with Redtail Technology.

The integration will enable advisors to prefill application information for clients who are in the process of opening a Flourish Cash account, according to the company.

“The highlight is the ease of the integration, which will certainly make this an attractive option for advisors,” said Scott Lamont, director of consulting services at F2 Strategy.

Ben Cruikshank, president of Flourish, said this latest integration with Redtail has been in development for around four months, including a beta rollout with early testers.

Over 70 new RIAs have been onboarded to Flourish Cash since the start of the year, said Cruikshank.

Flourish Cash works with over 550 RIA firms of various sizes, which on average have \$1.5 billion in assets under management. Flourish Cash, which has no minimums or account fees, offers 4.4% annual percentage yield (APY) as of last week.

The company already offers elevated FDIC insurance levels, but starting April 17, it will further offer \$1.5 million for individual accounts, \$3 million for joint accounts and \$1.5 million for business accounts.

“Over time, we will continue to add new program banks to further increase the level of FDIC insurance coverage to our clients,” said Cruikshank. “With that said, given the typical high net worth household holds 10% to 20% of their assets in cash, our current FDIC insurance levels are sufficient to safeguard the assets of the overwhelming majority of RIA clients.”

Cruikshank said that given the increased attention on the importance of cash—both due to recent rate increases and the need to ensure that clients’ cash is in FDIC-insured accounts—“more and more firms are incorporating ‘held-away cash’ within their holistic planning practices.”

“In order to make held-away cash a true part of their business, solutions like Flourish Cash need to be deeply integrated with the RIA’s tech stack,” said Cruikshank. “As a result, this was a great time to roll out this new integration with Redtail, making it easier than ever for advisors to invite clients to Flourish.”

A total of \$6.6 million in interest was paid out to Flourish Cash clients in March, according to the company. In 2022, Flourish Cash clients earned more than \$15.5 million in interest.

“We’re very pleased with how Redtail data is used within Flourish. The integration is extremely easy to use and having our data easily accessible whenever necessary is ideal for our firm,” said Justin Burrow, COO and partner at Ryan Wealth Management. “It’s great to see Flourish continuing to innovate by prioritizing integrations with the systems we use every day.”

Flourish has an existing direct-custodial integration with Orion Advisor Solutions, which acquired Redtail Technology in 2022.

“Our goal is to build key integrations into every critical piece of the RIA-tech ecosystem,” said Cruikshank.

In 2019, Flourish built a custom integration with Buckingham Strategic Wealth, allowing their advisors to invite clients to Flourish from within Salesforce, their customer relationship management (CRM), said Cruikshank.

“Since launching that integration, we’ve known we wanted to prioritize additional CRM integrations, and so we’re excited to announce the integration with Redtail as our first widely available CRM integration,” said Cruikshank.

This latest announcement by Flourish is part of a larger cash management trend in the RIA industry.

Competitor MaxMyInterest was founded in 2013 and launched its first services in 2014.

Flourish launched in 2018 as a service of Stone Ridge Securities LLC. In December 2020, Flourish was purchased by MassMutual. In September 2021, Flourish opened the door to turnkey cryptocurrency investing when it launched Flourish Crypto and in October 2022 announced an integration with Envestnet.

In February 2019, Wealthfront launched an FDIC-insured cash account, separate from its investment account, and in June 2019, Personal Capital became the latest digital wealth manager to roll out a new “high-yield account” in the form of its Personal Capital Cash and Savings Planner with FDIC insurance. Betterment followed in July launching its own banking-like accounts followed later that year, in December, when Robinhood rolled out its Cash Management feature, with a 1.80% annual percentage yield paid on un-invested cash held in investors’ brokerage accounts.

A third competitor to Flourish Cash and MaxMyInterest—Galileo—was acquired by SoFi for \$1.2 billion in April 2020.